

DOCKET SECTION
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION WITNESS MEREWITZ
(USPS/FGFSA-T-1-1-16)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Florida Gift Fruit Shippers Association witness Merewitz: USPS/FGFSA-T-1-1-16.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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January 8, 1998

USPS/FGFSA-T1-1. Please refer to page 1 of your testimony, where you discuss your employment history at the Postal Rate Commission.

(a) Please state each position you held and the years during which you held them.

(b) During your service at the Commission did you familiarize yourself with any postal transportation issues? Please explain.

(c) Please describe the extent to which you worked on or performed analyses on postal transportation issues.

USPS/FGFSA-T1-2. In preparation for your testimony in this proceeding, please list all testimony or other documents (such as workpapers, library references, Commission Opinions and Recommended Decisions, etc.) on transportation issues from this and prior rate and classification cases that you reviewed.

USPS/FGFSA-T1-3. Please refer to page 3 of your testimony.

(a) Please explain why you relied on the Comprehensive Statement of Postal Operations rather than the Postal Service's Base Year workpapers for the transportation costs you cite at lines 5-8.

(b) Are you aware of any differences between the two? Please explain in detail.

(c) Are the figures you cite accrued costs or volume variable costs?

(d) Are the intra-BMC figures you cite the same as those referred to as intra-BMC highway costs in the Base Year workpapers?

USPS/FGFSA-T1-4. Please define the following terms:

- (a) nonpreferential transportation system (as used on page 3, lines 12-13 of your testimony);
- (b) Inter B (as used on page 3, line 12 of your testimony).

USPS/FGFSA-T1-5. Please refer to page 4, lines 8-9 of your testimony.

- (a) Please define the term "foisting" as you use it there.
- (b) Please define the term "container capacity" as you use it.
- (c) Please define the term "container cost" as you use it.

USPS/FGFSA-T1-6. Please refer to your testimony page 4, lines 8-18. Which of the following best describes your understanding of Dr. Bradley's analysis:

- (a) an econometric analysis of how changes in container capacity correlate with container cost;
- (b) an econometric analysis of container capacity and expected output;
- (c) an econometric analysis of the sensitivity of contract cost to cubic foot-miles of capacity.

Please explain.

USPS/FGFSA-T1-7. Please provide a copy of Exhibit LAM-5 as referred to on page 5, line 1 of your testimony.

USPS/FGFSA-T1-8. Please provide the electronic spreadsheets used to develop each of your exhibits.

USPS/FGFSA-T1-9. Please specify the units of measure for the numbers that appear in Exhibits LAM-4b and LAM-6.

USPS/FGFSA-T1-10. Please confirm that the cost figures for interBMC transportation and intraBMC transportation used throughout your testimony refer to the cost of highway contracts assigned to the interBMC and intraBMC contract accounts.

USPS/FGFSA-T1-11. Please refer to page 7 of your testimony. Please confirm that the figure 1990 on line 5 should be 1991.

USPS/FGFSA-T1-12. Consider the following example. A mailer in Northern Virginia has two virtually identical mailings. Mailing A and Mailing B weigh the same, have the same number of pieces, and same presort and automation characteristics. Mailing A is directed toward addressees in the Washington, DC, area; Mailing B is directed to addressees in Los Angeles.

(a) Is the workload the same for Mailing A and Mailing B? Please explain.

(b) Now assume the mailer is offered a \$100 discount for each mailing if he enters that mail at the destination BMC. Other things (such as service and customer demand) being equal, which mailing is likely to be dropshipped, the Los Angeles mailing or the Washington mailing? Please explain fully.

USPS/FGFSA-T1-13. Please refer to your discussion of transportation prices on pages 7 and 8 of your testimony and in Exhibit LAM-7.

(a) The price index used in your analysis is an index of the "growth in truck rental costs." Please state your source for this description of the data series.

(b) Please provide the United States Bureau of Labor Statistics definition of this price index.

USPS/FGFSA-T1-14. On page 8 of your testimony you mention "Service Related Costs."

(a) Please define this term.

(b) Are you advocating the use of service related costs in this proceeding?

USPS/FGFSA-T1-15. Beginning on the last line of page 6 you state: "The result was a 13.7 per cent increase in real purchased highway services."

(a) Are you saying that costs, adjusted for inflation, increased 13.7 percent from 1991 to 1996?

(b) Are you saying that transportation capacity was increased, or that service increased, 13.7 percent?

(c) If the answer to either a or b is no, please explain what the 13.7 percent figure purports to measure.

USPS/FGFSA-T1-16. Please indicate where in the record you find support for your statement, on page 8, line 19 of your testimony, that TRACS "yields volume data for proper econometric analysis"

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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